

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL

224

SPECIAL EDUCATIONAL PROGRAM FOR
MENTALLY GIFTED MINORS

MARCH 1975

TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

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March 11, 1975

Honorable Bob Wilson
Chairman, and Members of the
Joint Legislative Audit Committee
Room 4126, State Capitol
Sacramento, California 95814

Dear Mr. Chairman and Members:

Transmitted herewith is our report on the state's Special Educational Program for Mentally Gifted Minors. The State Superintendent of Public Instruction, as the Director of the State Department of Education, is responsible for the administration of the mentally gifted minors program. The program is available to those school districts which choose to participate in it and which have eligible students in kindergarten through grade 12.

Our review included field investigative work at ten school districts located in Contra Costa, Fresno, Humboldt, Los Angeles, Marin, Monterey, Orange and San Diego Counties.

Pursuant to the State Education Code, eligible mentally gifted minors are those students who rank scholastically within the top two percent of their grade level throughout the state or students with that general intellectual capacity, but for reasons associated with cultural disadvantages, have underachieved scholastically.

The Department of Education apportioned \$11.2 million in 1973-74 for program costs to the 286 school districts that participated in the mentally gifted minors program. These 286 districts enroll 74 percent of the state's kindergarten through grade 12 students. The remaining 786 school districts throughout the state did not request participation in the program.

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We found that the mentally gifted minors program has not been adequately administered by the Superintendent and neither the Legislature nor the Superintendent has developed goals to be achieved or criteria to evaluate the effectiveness of the program. As a result, program effectiveness cannot be evaluated and a minimum of \$5 million, or 45 percent of the \$11.2 million of state's program costs, was incorrectly apportioned for approximately 90,400 ineligible students at the 286 participating school districts in 1973-74.

A primary cause for student ineligibility was the use, prior to November 1, 1973, of the Stanford-Binet intelligence tests with 1960 norms. This resulted in more students being declared eligible for the program than permitted by the State Education Code.

Further, as a result of there being more students in the program than permitted by law, the Superintendent has incorrectly apportioned to school districts for each student less funds than specified in the Education Code. Specifically, each of the 286 districts received \$66.65 per gifted student for program costs, and \$41.65 for costs of identifying eligible students, rather than the \$80 and \$50, respectively, as specified in the Education Code.

The Superintendent has not developed guidelines for gifted programs which must be followed by the school districts. Some of the subjects designated by school districts as programs for mentally gifted minors include pitching horseshoes, tennis lessons at a country club, guitar lessons, free choice of activities and juggling. While these subjects might be considered appropriate, under the directions issued by the Superintendent, virtually any subject designated by the school district can qualify as an appropriate subject for mentally gifted minors.

The Superintendent has not assured that school districts adequately comply with the legal requirements of the mentally gifted minors program. For example, none of the ten school districts which we investigated maintained districtwide student attendance records. Our review of records at these ten districts disclosed that the program costs of \$972,500 as reported to the State Superintendent, were overstated by approximately \$426,500, or 44 percent. Five of the ten districts reviewed do not maintain complete documentation necessary to evaluate student progress.

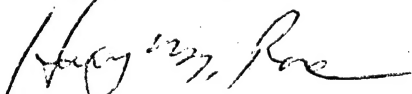
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We recommend that the State Superintendent of Public Instruction correctly apportion funds to school districts for only the eligible number of students authorized by the Education Code and in the correct amounts for each gifted student as specified in the Code, and develop guidelines which must be followed by all participating school districts.

We further recommend that the Legislature clearly establish by statute its intent and objectives for the mentally gifted minors program, and require the Superintendent to establish goals for pupil progress and criteria to measure program effectiveness.

Implementation of our recommendations should result in either a reduction in state funds by at least \$5 million annually or a minimum of \$5 million annually which could be used for mentally gifted minors program expansion.

Respectfully submitted,



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INTRODUCTION

In response to a legislative request, we have reviewed the administration by the State Superintendent of Public Instruction of the Special Educational Program for Mentally Gifted Minors. The Superintendent is the Director of the State Department of Education. We have also reviewed the related administration and operation of the program by ten selected school districts. The ten school districts we reviewed, and selected data related to their Special Educational Program for Mentally Gifted Minors, is shown in the Appendix. The districts reviewed were selected to provide coverage of school districts in different geographic areas of the state, in rural as well as urban areas, and of different sizes.

The state-supported Special Educational Program for Mentally Gifted Minors, established in 1961, is available to school districts for kindergarten through grade 12 which choose to participate in the program. During fiscal year 1973-74, 281 of the state's 1,067 eligible school districts, as well as five county offices of education, participated in the program. The 281 school districts and five county offices of education, or a total of 286 districts and counties, represent approximately 27 percent of the state's eligible school districts and enroll 74 percent of the kindergarten through grade 12 students in public schools in the state.

As stated in the Governor's Budget for fiscal year 1975-76 it is the goal of the State Department of Education to provide all gifted individuals with qualitatively different and uniquely appropriate educational opportunities. The

1975-76 work objectives of the department include expanding the program in 20 percent of the districts not now serving gifted pupils and concentrating on gifted pupils who are culturally disadvantaged or who live in rural areas of the state.

The Special Educational Program for Mentally Gifted Minors is coordinated and supervised statewide by the State Superintendent of Public Instruction, assisted by a professional staff of two program consultants. The Superintendent's efforts to coordinate and supervise the program consist primarily of providing administrative guidelines, providing consultation to individual school districts requesting assistance, and approving plans for school district programs.

The State Education Code and the California Administrative Code describe different program options available to school districts participating in the state program. Services or activities which may be provided as part of the program include the following:

- Correspondence courses of the University of California
- Classes conducted at a college or community college
- Special counseling or instructional activities during or outside of the regular school day
- Classes more advanced than age group
- Grouping gifted students in regular classrooms with provision of supplemental education activities.

Statutes and administrative regulations require that each school district participating in the program provide minimum amounts of qualitatively different

instruction. School districts generally are required to provide 200 minutes of instruction per week per gifted minor for 17 weeks each semester. A developmental case study to determine individual student needs and progress must also be maintained. The State Superintendent of Instruction must approve all proposed programs for mentally gifted minors prior to the allowance of state funds.

State school funds are apportioned by the State Department of Education to provide limited reimbursement to school districts for their excess costs resulting from the gifted minors program. Excess costs are defined by the State Department of Education as those program costs:

- Incurred solely for providing the special program
- Directly related to the pupils enrolled
- Which would not have been incurred had the program not been initiated
- Which are readily identifiable in the accounting records of the district.

The department apportioned \$12.6 million of state funds to reimburse school districts for their excess costs resulting from the mentally gifted minors program and for costs of identifying eligible students during fiscal year 1973-74. Of this \$12.6 million, \$11.2 million was for program costs and \$1.4 million was for costs to identify students who are eligible for the program. The total apportionment for these costs for fiscal year 1974-75 is estimated to be \$13.8 million.

FINDINGS

THE SPECIAL EDUCATIONAL PROGRAM FOR MENTALLY GIFTED MINORS HAS NOT BEEN ADEQUATELY ADMINISTERED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION, AND NEITHER THE LEGISLATURE NOR THE SUPERINTENDENT HAS DEVELOPED GOALS TO BE ACHIEVED OR CRITERIA TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM. AS A RESULT, PROGRAM EFFECTIVENESS CANNOT BE EVALUATED AND A MINIMUM OF \$5 MILLION, OR 45 PERCENT, OF THE STATE'S PROGRAM COSTS WAS INCORRECTLY APPORTIONED TO SCHOOL DISTRICTS IN FISCAL YEAR 1973-74.

The Superintendent of Public Instruction has inadequately administered the Special Educational Program for Mentally Gifted Minors in that:

- The Superintendent has allowed an estimated 90,400 ineligible students to be enrolled in the program at a cost of \$5 million annually
- The Superintendent has incorrectly apportioned to districts less per student than the amount per student specified in the Education Code for students identified and enrolled in approved gifted programs
- The Superintendent has not developed curriculum guidelines which must be followed by school districts to assure that courses offered by districts under the gifted program are appropriate and qualitatively different from those offered by the districts to other students
- The Superintendent has not assured compliance by districts with statutory and administrative requirements.

Also, neither the Legislature nor the Superintendent of Public Instruction has developed goals to be achieved or criteria for evaluation of state expenditures for the mentally gifted minors program.

As a result of these deficiencies, the effectiveness of the mentally gifted minors program cannot be accurately evaluated. Further, \$5 million in state funds has been apportioned to school districts for students not eligible for the program and additional sums have been apportioned to school districts which may not meet statutory and administrative requirements for the program.

Ineligible Students

In fiscal year 1973-74, approximately 90,400 more students than the proportional statewide maximum number authorized by statute were enrolled in special educational programs for mentally gifted minors offered by the 286 school districts and counties that participated in the program. This resulted in an estimated \$5 million being incorrectly apportioned to these 286 school districts and counties for their gifted programs. These districts and counties enroll approximately 74 percent of all kindergarten through grade 12 students statewide.

The State Education Code describes a mentally gifted minor as one who demonstrates such general intellectual capacity as to place the student within the top two percent of all students in the same school grade throughout the state, or who is otherwise identified as having such general intellectual capacity but, for reasons associated with cultural disadvantages, has underachieved scholastically. The California Administrative Code provides that those minors so included in a district's program on the basis of cultural disadvantages cannot exceed two percent of the culturally disadvantaged students of the district.

The California Administrative Code establishes the criteria to be used by school districts in identifying mentally gifted minors, and the State Superintendent has approved the specific intelligence tests which may be used for such identification.

In fiscal year 1973-74, a maximum of approximately 93,000 gifted minors could have participated in the program on the basis of demonstrated intellectual capacity. In addition, approximately 8,000 students were separately identified by participating school districts as being eligible for the program because of cultural disadvantages. Therefore, in accordance with statutory provisions, no more than approximately 101,000 students could have participated statewide in the mentally gifted minors program during 1973-74. On a proportionate basis, 77,000 of the 101,000 students would have been eligible in the 286 school districts and counties which participated in the program.

However, in fiscal year 1973-74, 167,415 full-time equivalent students were enrolled in gifted programs offered by the 286 school districts and counties. This represented 3.6 percent of the statewide average daily attendance, and 4.84 percent of the average daily attendance of the 286 school districts and counties. The 167,415 enrolled students exceeds the 77,000 eligible students by about 90,400.

The Education Code provides that \$80 per participating student will be apportioned by the State Superintendent to school districts for their approved mentally gifted program costs for 1973-74. The maximum amount which should have been allocated to districts for the 77,000 eligible students in 1973-74 is, therefore, \$6.2 million. However, the department apportioned \$11.2

million for 167,415 enrolled students for the 286 districts' and counties' 1973-74 gifted program costs, or \$5 million in excess of the correct apportionment. The incorrect apportionment of \$5 million is 45 percent of the state's total program costs of \$11.2 million.

A primary reason enrollment in the program exceeds the statutory statewide maximum enrollment is that one of the intelligence tests approved by the State Superintendent to be used to identify eligible students prior to November 1973 was outdated and therefore no longer correctly identified students ranking in the upper two percent statewide.

Until November 1973, the State Superintendent approved the use of the Stanford-Binet tests with 1960 norms to identify mentally gifted minors. These tests were used by nine of the ten districts we reviewed. However, using 1960 norms, from three to nine percent of the California students currently taking these tests rank in the upper two percent of all students who took the test nationwide in 1960, depending on age group. No ranking is made of the top two percent of California students taking the tests.

In 1972, Stanford-Binet test norms were updated. The State Superintendent directed that the new norms be used by districts after November 1, 1973. However, students previously identified using 1960 norms were allowed to remain in the program. Thus, the selection criteria automatically allowed more students to be admitted to the gifted program than actually were eligible.

Incorrect Apportionments

The Education Code provides that the State Superintendent shall apportion to school districts \$80 per participating pupil for gifted program costs for fiscal year 1973-74, and \$50 for each pupil identified as a mentally gifted minor. In fiscal year 1974-75, the basis for apportionment for program costs will be increased from \$80 to \$90 per student. The basis for apportionments is limited to three percent of the statewide average daily attendance during the preceding fiscal year. If the State Superintendent finds that the amount of state funds allocated to a district are in excess of the district's expenditures for its gifted program, such excess shall be withheld from the district in later years. For fiscal year 1973-74, the final amounts apportioned to districts were \$11.2 million for program costs, and \$1.4 million for identification of mentally gifted minors.

In fiscal year 1973-74, the number of students participating in gifted programs of the 286 districts and counties equaled 3.64 percent of the previous year's statewide average daily attendance. However, the basis for apportionment is limited to three percent of the previous year's statewide average daily attendance. Instead of requiring that enrollment in gifted programs be reduced to the specified level, the State Superintendent prorated the total amounts of state funds available for gifted program and identification costs for 1973-74 on the basis of the number of participating students. On this basis, each of the 286 districts and counties received \$66.65 per gifted student for program costs, and \$41.65 in costs per gifted student identified in 1973-74, rather than the \$80 and \$50, respectively, as specified in the Education Code.

It is the opinion of the Legislative Counsel and the Chief Counsel of the Office of the Auditor General that the levels of support for gifted programs specified in the Education Code (\$80 per student for program costs and \$50 per student for identification costs) may not be reduced by the State Superintendent so long as appropriations by the Legislature are adequate to fund the gifted programs at the three percent level of participation prescribed. The Legislative Counsel stated:

"In our opinion, it was the Legislature's intent, in prescribing these per-pupil dollar amounts, to insure an adequate level of state financial support for each participating pupil. The 3 percent limitation on the number of pupils participating prevents dilution of the available state financial support for such programs. Under the circumstances we think that the proper course of action to be taken by the Superintendent of Public Instruction is to reduce the number of pupils for whom allowances are to be made to 3 percent of the statewide average daily attendance, rather than reducing the per-pupil amount to be allowed."

Inadequate Guidelines for Gifted Programs

Among the standards for gifted programs, as established by the State Board of Education and included in the California Administrative Code, is the requirement that a program offered by school districts must be "qualitatively different from other school programs of the district because it meets the specific academic needs and requirements of mentally gifted pupils". However, the Superintendent of Public Instruction, who is responsible for apportioning state funds to school districts for approved programs, has not developed guidelines to assure that the gifted programs provided by the districts meet this requirement.

Following a study under a federal grant in 1968-69, forty manuscripts of exemplary curriculum guides for teachers of mentally gifted students were prepared by the State Department of Education. Twenty-two of these manuscripts were printed and distributed to school districts on a limited basis.

However, despite this study and the limited distribution of some curriculum guides, the State Superintendent of Public Instruction has not specified that curriculum guides be followed. The Superintendent has directed that programs for mentally gifted minors be developed at the school districts in terms of the unique capabilities and characteristics of pupils, programs and teachers within the districts.

In the ten school districts we reviewed, the content of programs for mentally gifted minors was frequently based upon a special skill a classroom teacher possessed. We found that courses of study and special activities in the following diverse subject areas were classified as programs for mentally gifted minors:

- Computer programming
- Horseshoes (pitching)
- Self-directed learning
- Tennis lessons at a country club
- College courses for high school students
- Supper-theatre tickets, meals and lodging in San Francisco
- Gardening
- Knitting
- Guitar lessons
- Folk dancing
- Cross-age tutoring
- Music instruction and appreciation
- Cooking
- Photography
- Stamp collecting

- Campouts
- Woodworking
- Puppet play
- Clay modeling
- Free choice of activities
- Juggling
- Water fowl observation
- Toastmasters.

Under the directions issued by the State Superintendent, virtually any course of study or special activity designated by a school district could be called an appropriate program for mentally gifted students. We recognize that the determination of what is qualitatively different and appropriate for the gifted child is highly subjective. However, in our judgment, the quality and effectiveness of the programs could be improved and assured if the State Superintendent specified guidelines which must be followed by school districts.

Inadequate Compliance
With Legal Requirements

The Superintendent has not assured compliance by district with the statutory and administrative requirements for special education programs for the mentally gifted in that:

- Length of program instruction and student participation are not documented
- Excess program costs claimed by districts for state reimbursement are not verified

- Case development studies to determine individual student needs and progress are not maintained
- Incorrect testing criteria results in students who should not have qualified being enrolled in district programs.

The State Education Code specifies that gifted programs offered by school districts must be approved in advance by the Superintendent of Public Instruction before any apportionment of state funds may be made to the district for its costs of the program. The Education Code also specifies that, generally, qualifying programs must be provided each participating pupil for 200 minutes per week during the regular school year.

The California Administrative Code provides other general standards, as adopted by the State Board of Education, which must be met for all programs for mentally gifted minors for which state funds are apportioned.

In our on-site reviews of the mentally gifted programs of ten school districts, we found that the Superintendent of Public Instruction has not developed an audit program to assure that these statutory and administrative requirements have been met by the school districts.

As a result, the Superintendent has apportioned funds to school districts that under existing statutory and administrative requirements may not be eligible to receive such apportionments. Such apportionments are in addition to the \$5 million incorrectly apportioned for ineligible students as discussed on pages 5 through 7.

Documentation

None of the ten districts maintained districtwide student attendance records for the mentally gifted program to show the names of the participating students and time in program attendance. Districts generally rely upon school principals to certify attendance. However, the principals could not offer evidence that each gifted student attended mentally gifted minor classes 200 minutes a week. Only two of the ten school districts we reviewed could provide evidence that the required minutes of class instruction were even offered.

Some schools in four districts utilized a type of program in which a special teacher is designated to provide approximately 90 to 120 minutes of instruction a week to gifted students grouped in other than their regular classrooms. The regular classroom teacher is supposed to supplement the remaining required time. However, only one of the four districts could document that the required supplemental instruction had actually been given.

Three other school districts used a type of program in which regular classroom teachers group the gifted students together within the regular classroom to provide qualitatively different instruction. However, in only one of these three school districts, was there a record to indicate that 200 minutes of such instruction had been given.

Verification

None of the ten selected school districts' reports of excess program costs of gifted programs for fiscal year 1973-74 fully complied with the criteria

established by the State Superintendent for determining program cost. The State Superintendent has not adequately provided for audits of expenditures by school districts for mentally gifted programs. Therefore, this noncompliance has not been detected by the Superintendent.

Our review of records at the ten school districts disclosed that the excess program costs of \$972,500, reported by the districts to the State Superintendent, are overstated by approximately \$426,500, or 44 percent. Examples of the overstatements include salaries of teachers or administrators that would have been incurred even if a gifted program were not offered, and costs of materials not used exclusively by gifted students.

Student Progress

School districts are required by the California Administrative Code to maintain case development studies for each student enrolled in the mentally gifted minor program to monitor student development and to evaluate student progress.

Three of the ten districts reviewed did not maintain current development case studies for students in their gifted programs. Two other districts maintained case studies for some but not all of the gifted students in their programs. Thus, five of the ten districts have no complete objective documentary basis to evaluate the gifted students' progress.

Incorrect Testing Criteria

As noted on page 7 of this report, the department instructed school districts using the Stanford-Binet tests to identify gifted students to use 1972 norms for these tests for identification made after November 1, 1973.

We found that one of the ten districts we reviewed was still using the 1960 norms after November 1, 1973. In a sample of 11 students in that district, identified as mentally gifted after November 1, 1973, nine students would not have qualified for the program if the 1972 norms had been used.

In the same district, we found that the test examiners had not complied with state testing requirements for grades 7 through 12. Students were placed in the program who did not score at or above the 98th percentile on both an ability and an achievement test. Of 112 students participating in the program, 33 would not have qualified had state requirements been followed.

Lack of Program Goals and Criteria

In January 1967, the Subcommittee on School Curriculum and Pupil Achievement of the Assembly Interim Committee on Education published a report titled "Building Excellence in the Classroom". (Assembly Interim Committee Reports, 1965-67, Volume 10, Number 24) The Subcommittee found:

"...that citizens, teachers, and administrators are confused about the objectives of state involvement in programs for mentally gifted minors. Legislative intent is not clearly enough understood to permit long-range planning of operating or capital expenditures. We believe that confusion about the nature, extent, and duration of state involvement in the MGM program has stifled local initiative and innovation in developing a meaningful educational experience for academically talented children."

The Subcommittee then recommended that legislation more clearly establish the objectives in existing or altered mentally gifted minor programs. To date, the legislation pertaining to mentally gifted programs still does not establish the objectives, or goals to be achieved, of the programs. Further, the Legislature has not required the State Superintendent to develop such objectives or goals, or to develop criteria to evaluate the effectiveness of such programs.

The State Superintendent requires that the written plans submitted by districts to obtain approval for their programs must include an annual evaluation of pupil progress. However, the Superintendent has not defined the goals to be achieved or methods to measure achievement.

The goal most frequently mentioned by the districts for their gifted students is academic attainment. While it is relatively easy to measure a child's academic progress, it is very difficult to demonstrate that this progress is a consequence of the gifted program. Other goals, which are mentioned, such as tolerance, critical thinking, and self-esteem, are not as conducive to objective measurement and must be evaluated on the basis of teacher observation.

Officials of the State Department of Education state that the effectiveness of the program is very difficult to establish.

CONCLUSION

The State Superintendent of Education has not adequately administered the Special Educational Program for Mentally Gifted Minors, nor developed pupil progress goals and criteria to evaluate the program to assure compliance with statutes and administrative regulations and to assure the effective use of state school funds apportioned for this program.

RECOMMENDATIONS

We recommend that the State Superintendent of Public Instruction:

- Limit the apportionment of funds to school districts for the number of mentally gifted students authorized by the Education Code
- Apportion to districts funds for mentally gifted students at the amounts per student specified in the Education Code
- Develop guidelines for appropriate and qualitatively different courses of study for mentally gifted minors and require that such guidelines be followed by the school districts

- Develop an audit program to assure school district compliance with statutory and administrative requirements in order to effectively coordinate and supervise the program on a statewide basis.

We further recommend that the Legislature clearly establish by statute its intent and objectives for the mentally gifted minors program, and, as a condition to the appropriation of state funds for gifted programs for 1975-76, require the State Superintendent to expedite the establishment of goals of pupil progress to be achieved by the mentally gifted minors program. Further, the Superintendent should be required to establish criteria to be used to measure the effectiveness of the program in achieving the pupil progress.

SAVINGS AND BENEFITS

Proper implementation of these recommendations will:

- Result in the correct apportionment of state funds to school districts for their mentally gifted minor programs and only for students who meet statutory requirements. Based on amounts incorrectly apportioned to districts for 1973-74, this could reduce the amount of state funds actually apportioned for gifted programs by a minimum of \$5 million annually, or a minimum of \$5 million annually could be used for program expansion.

- Provide greater assurance that state funds apportioned for this program are used in accordance with statutes and administrative regulations and that they are effectively used to enhance pupil progress.

SUMMARY OF COMMENTS OF
THE STAFF OF THE STATE SUPERINTENDENT
OF PUBLIC INSTRUCTION

1. The department was not provided sufficient time to adequately review and digest the contents of this report, or to formulate considered comments.
2. The legal counsel for the department is of the opinion, and has advised, that the method being used to apportion funds is permissible under law. Therefore, the department believes the \$5 million cited by the Auditor General was correctly apportioned.
3. It is not practical or humane to remove students from the gifted program who were previously admitted, even if these students may not have met the statutory qualifications at the time the students were enrolled.
4. The department recognizes some of the problems identified in this report and has recently added one full-time position, and plans to request one additional position, to begin auditing and monitoring district gifted programs.

SELECTED DATA RELATED TO MENTALLY
GIFTED MINORS PROGRAM REPORTED BY
SELECTED SCHOOL DISTRICTS FOR
FISCAL YEAR 1973-74

<u>School District</u>	<u>County</u>	<u>Gifted Students</u>	<u>Excess Program Cost Per Student</u>	<u>Cost Per Student To Identify Mentally Gifted Minors</u>	<u>Average Daily Attendance Of District</u>
Fresno Unified	Fresno	1,066	93	85	54,086
Dixie Elementary	Marin	417	230	181	4,004
Pasadena Unified	Los Angeles	3,220	88	31	24,470
Monterey Peninsula Unified	Monterey	690	110	50	16,939
Chula Vista City Elementary	San Diego	949	141	95	15,778
Poway Unified	San Diego	634	57	47	10,873
Huntington Beach High School	Orange	524	219	56	18,469
Orinda Elementary	Contra Costa	1,301	82	62	2,733
Eureka High School	Humboldt	107	63	40	4,288
Lancaster Elementary	Los Angeles	381	84	28	7,130